

## **Minutes of the Finance Committee**

**Wednesday, February 18, 2015**

Chair Heinrich called the meeting to order at 8:30 a.m.

**Present:** Supervisors Jim Heinrich, Duane Paulson, Richard Morris, Bill Zaborowski, Steve Whittow, Eric Highum, and Larry Nelson.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Administration Director Norm Cummings, Matt Masterson of The *Freeman*, Solid Waste Supervisor Rebecca Mattano, Senior Buyer Diane Knoll, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Larry Dahl, Senior Human Resources Analyst Renee Gage, Sheriff Eric Severson, Business Manager Lyndsay Johnson, Jail Administrator Mike Giese, Inspector Jim Gumm, Financial Analyst Joshua Joost; Citizens James E. Denniston, Mary Emery, and Allen R. Schultz; County Board Supervisors Kathleen Cummings and Dave Swan, Budget Manager Linda Witkowski, Principal Assistant Corporation Counsel Eric Weidig, Parks & Land Use Director Dale Shaver, Public Works Director Allison Bussler, County Board Chair Paul Decker, and Chief of Staff Shawn Lundie. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of January 21**

MOTION: Paulson moved, second by Zaborowski to approve the minutes of January 21. Motion carried 7-0.

### **Schedule Next Meeting Date**

- March 4

### **Chair's Executive Committee Report of February 16**

Heinrich highlighted the following items discussed at the last Executive Committee meeting.

- Approved Ordinance 169-O-095 and amended Resolution 169-R-006. Resolution 169-R-007 was tabled.
- Internal Audit Manager Lori Schubert reviewed the internal audit work plan for 2015-2017.
- Heard a report on the 2015 Wisconsin Counties Association (WCA) Legislative Exchange recently held in Madison.
- Approved eight appointments.

### **Ordinance 169-O-095: Reauthorize The Waukesha County Small Business Leverage Loan Program**

Cummings discussed this ordinance as outlined. Cummings said he will report back to the committee with actual figures on new jobs and jobs retained for 2012 and 2013 in the near future. Program oversight is provided by the Department of Administration and loan applications are reviewed and processed by a contracted loan administrator with final loan approval made by a County representative. Loans are limited to \$50,000 at an annual interest rate no less than 3% for three- to five-year terms. Since 2012, this program has provided nine loans to businesses totaling \$440,000 and is estimated by the contract loan administrator to result in the creation of 75 new positions in the next one to two years. This is in addition to the retention of an estimated 243 full-time and 60 part-time jobs. These loans have leveraged an estimated \$7.8 million in private sector

loans since program inception. This program was initially funded with revenues returned to the County following the termination of tax increment districts but will now be funded with repayments from earlier loans as planned in the 2015 adopted budget. The County Board stipulated that this program would sunset after the first three years of operation (2012 through 2014) unless the County Board adopts an ordinance for its continuation.

Zaborowski asked if this program is the success they were hoping for. Cummings said “absolutely” – the program is working very well and Outagamie County copied our program verbatim. Answering Highum’s question, Cummings said no companies have defaulted. Paulson said he will vote against this ordinance. While he supports the program, he felt it was important future approval be done via ordinance and not the budget book whereby it would likely receive less scrutiny. He noted the program is successful now but that could change.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 169-O-095. Motion carried 6-1. Paulson voted no.

### **Contract Procurement Process for Refuse and Recycling Collection Services**

Mattano indicated the contract was awarded to Advanced Disposal Services, the only contractor to submit a proposal. Services include refuse and recycling collection at County buildings and parks, collection at municipal drop off sites, State contracted disposal costs, and collection on an as-needed basis such as special events/special items. The total contract cost is \$266,741 and the budgeted amount is \$211,950. Mattano advised the bid for collection at municipal drop off sites exceeded the budgeted cost considerably although this cost was re-negotiated yesterday and is now under budget.

Heinrich asked Mattano if she was surprised with only one response. Mattano said she was disappointed as a lot of effort was put into the process although staff are happy with the outcome.

MOTION: Morris moved, second by Whittow to approve the contract procurement process for refuse and recycling collection services. Motion carried 7-0.

### **Ordinance 169-O-098: Transfer Carryover Funds From 2014 Unexpended Appropriations To 2015 Budgeted Appropriations**

Ries and Dahl were present to discuss this ordinance as outlined which included information on account number, amount approved, project, and justification. Ries said staff are requesting that funds appropriated in the 2014 budget for certain items or services which, for various reasons, shall be deferred to 2015. Department requests for carrying over unspent funds and related revenues from one year to the next must be reviewed and approved by the County Executive. Staff are requesting that a total of \$3,467,590 be carried over into 2015 budgets to enable the purchase of goods and services as indicated on the carry-over schedule. Ries further explained the request to carry over funds for the municipal loans project at Heinrich’s request.

MOTION: Highum moved, second by Nelson to approve Ordinance 169-O-098. Motion carried 7-0.

### **Year-end Report on Investments**

Ries reviewed this report as outlined which included information on investment yield and revenue, average daily balance, total County investment income and average investment rates, portfolios by

investment type, etc. The total return for the fourth quarter was up nine basis points from the third quarter to 0.48%. Total interest earnings for the fourth quarter were \$718,234, down \$59,660 from the third quarter due largely to a decrease of \$53.2 million in the County's average invested balances, consistent with the County's cash flow trend. The fourth quarter average balance was \$9.1 million below the fourth quarter average balance in 2013 due to the planned drawdown of funds for several large capital projects. The 2014 fourth quarter investment balance was \$148,569,578.

MOTION: Zaborowski moved, second by Highum to accept the year-end investments report. Motion carried 7-0.

#### **Annual Report on Interest Allocations**

Ries reviewed "Summary of Current Interest Allocations," "Prior Interest Allocations," and Analysis of Investment Income and Allocations – Fiscal Year 2014" which included information on the County fund from which the funds are allocated, how it was authorized, rationale, and if rescinded, when and why.

MOTION: Whittow moved, second by Zaborowski to accept the annual report on interest allocations. Motion carried 7-0.

#### **Ordinance 169-O-097: Modify The 2015 Health And Human Services Budget To Include Additional Revenue And Expenditures Related To The Economic Support Service Unit**

Mireles, Lilley, and Berg were present to discuss this ordinance as outlined. Lilley said the ordinance appropriates an additional \$190,800 in State funding for personnel and operating costs to provide full funding through December 31, 2015 to continue managing the caseload for implementation of the Patient Protection and Affordable Care Act. Initial program funding for operations and 10 positions with sunset clauses were adopted by ordinance 168-023 with anticipated funding for 18 months beginning in January 2014. While the 2015 adopted budget continued the program with funding for 10 positions for 6 months this ordinance will continue the program with a staff adjustment to eight positions until the end of 2015, at which time all positions will sunset.

Heinrich asked what happens to these eight individuals on December 31, 2015. Lilley said they were very much aware of the sunset clauses when they accepted the positions. However, Mireles said if there are openings due to turnover, they could apply.

MOTION: Paulson moved, second by Nelson to approve Ordinance 169-O-097. Motion carried 7-0.

#### **State Legislative Update**

Spaeth said the governor released his budget two weeks ago and it is currently being analyzed by County staff. At this time, it appears Youth Aids and General Transportation Aids remain flat from two years ago although there are concerns with Circuit Court funding. One big change involves transferring property assessments from municipalities to counties and that they be done annually. Revenues most likely will not cover the County's costs. Due to concerns by outside organizations and some municipalities, this bill could be tweaked. In addition, the budget creates a Crime Prevention Funding Board whereby an additional \$20 surcharge on felony and misdemeanor convictions would be distributed by that board as grant funds to various agencies/programs. Also, Representative Rob Hutton introduced the prevailing wage bill. The Waukesha County delegation

will be invited here in late March and staff will give a presentation on how this budget affects the County.

**Ordinance 169-O-096: Amend The 2015 Sheriff's Department Budget For The Expenditure Of Seized Funds To Participating Agencies In February 2015**

Severson, Johnson, Gumm, and Giese were present to discuss this ordinance as outlined. Severson said the department receives funds from the Federal Government and acts as a trustee for a portion of these funds on behalf of participating Metro Drug Unit agencies. Federal guidelines require that these seized funds must be used to enhance law enforcement activities, not supplant existing adopted budget appropriations. He said the department annually distributes a share of the seized funds to participating Metro Drug Unit agency communities based on their participation status at the time of each seizure. Staff have determined that an amount not to exceed \$12,821 will be disbursed to the City of Waukesha (\$3,594); City of New Berlin (\$2,963); City of Brookfield (\$568); Village of Menomonee Falls (\$3,113); City of Muskego (\$609); Village of Hartland (\$615); Village of Pewaukee (\$615); Village of Elm Grove (\$412) and Village of Eagle (\$332).

MOTION: Whittow moved, second by Highum to approve Ordinance 169-O-096. Motion carried 7-0.

**Fund Transfer 2015-01: Sheriff Department – Transfer Funds from Operating Expenses to Fixed Assets**

Severson discussed this fund transfer which involves transferring \$54,750 to replace the failing jail security electronics matrix. He discussed the severity of this issue and said if the system fails completely he will need to increase staff significantly. These funds had been budgeted for a software upgrade so the security electronics system will work on replacement computers and replacement medical equipment. Johnson said staff are working with the Department of Administration to develop an ordinance to restore the equipment replacement plan once the immediate issue is resolved. The total replacement cost is estimated at \$105,000 and the remaining funds were to be used to replace a washing machine, dryer, video conferencing equipment, and walk-through metal detector. Johnson said they just became aware that there will be an additional cost for cabling and another fund transfer or ordinance will be coming forward. Severson said they are looking at options to minimize these costs.

Mader felt it was important that this new system not be so large that it would be categorized as a capital project, or at least that the issue was considered by Administration staff as a fund transfer. Also, that Sheriff's staff have reaffirmed with Purchasing and the Department of Administration that this fits the requirement of single source. Severson said no, they are not trying to move the entire capital project and they will only fix what needs to be fixed now. However, they are not following the capital project because of the urgency of the problem. Johnson noted it was Administration staff that recommended this process. Paulson did not think the system should fail within ten years. He said it was important that adequate funding be allocated for the next system and that it be reliable with a good "shelf life." Severson clarified that only the matrix portion of the system is being replaced now. Severson advised they, like other departments, are still in the process of transitioning from analog to digital. Analog cameras will be replaced with digital cameras as they fail, not now, and the DVR equipment is two years old. He said this fix is not a "band aid" and they are trying to find the most cost-effective way to get through this challenge and into the next level of technology. Answering Whittow's question, Johnson said she did not know how long the

next matrix will last, it could be more than ten years or it could be less, and staff will need to meet with the vendor to discuss which components will work best.

MOTION: Morris moved, second by Paulson to approve Fund Transfer 2015-01, Sheriff's Department. Motion carried 7-0.

### **Public Comment**

Emery and Denniston, while not in agreement with the full amendment, spoke in support of amended Resolution 169-R-006. Swan said while he's a supporter of smaller government, this County will continue to grow, hence the strong possibility the County will need this land in the future.

### **Resolution 169-R-006: Process For Determining The Disposition Of The Historic Health And Human Services Building**

K. Cummings presented a PowerPoint presentation and distributed paper copies of same, as well as copies of the resolution as amended by the Executive Committee on February 16. K. Cummings went on to explain the amended resolution for which she expressed support. She said it gives clear direction and specifics and it is a County Board initiative with committee oversight. It allows for both east and west access to the old human services building although she was concerned the new west access would become a thoroughfare and a shortcut to the neighborhood. Also, there is nothing in the County's five-year capital projects plan indicating a future use for this property/land.

Nelson said the intent of the amended resolution was to ensure a good RFP that will address all the issues and he believes it does. Also, this particular RFP will be approved by the Public Works, Executive and Finance committees and the full County Board. Nelson noted if none of the proposals are good enough, demolition would be back on the table for consideration. Parking is addressed as are the liability issues. The non-historic portion of the building will be razed. Nelson said his biggest concern involved rezoning and it was clarified that this issue will not be part of the RFP but addressed later in the process.

Paulson spoke in favor of demolishing the entire building for when the County needs additional land. If the building remains, he asked what would be the preferred spot for a new County facility: the golf course or the surrounding homes? Nelson said neither and thought it would be possible to preserve the building and not take homes or significantly alter the golf course. Nelson felt there are other options. Paulson asked why eliminate a consolidated campus proposed years ago. Nelson said it is very dangerous to predict what future boards will do and we need to make our best judgment based on the information we have today. Paulson said with that, you are cutting off a future board's options. Whittow was opposed to larger government and more government buildings and wanted the property back on the tax roll. N. Cummings said the amended resolution does just that. Also, it may be confirmed in the future that the best place to put, for example, Day Reporting or the Huber Facility is at this site, on this campus.

Bussler gave a recap on the history of this issue. Shaver discussed the amended resolution including the County Executive's justification for adding a thoroughfare by creating a west entrance, ensuring adequate parking, that it will be the developer's responsibility to seek a rezone of that parcel with the City, and work with the City Landmarks Commission to modify a landmark. Shaver discussed difficulties in the past trying to rezone this County parcel with the City. The County Executive would rather have a new building on this campus so it is efficient from a facility

maintenance standpoint, etc., and divest ourselves potentially of more land not directly attached to the campus. Shaver referred to over 100 acres across the street which we sold to become an airport industrial park. The amended resolution will require the City to compensate the County by rezoning other comparable County land to meet our institutional needs as part of this project along with dealing with the rezone request by a proposed developer. Bussler noted a rezone request for future County consolidation would be handled by County staff, separate from the RFP.

To answer Nelson's question, Shaver said they have not yet had time to lay out a timetable for producing the RFP, etc. but it will get started soon. Shaver noted a County Board Supervisor will be asked to serve on the RFP committee, preferably someone who was opposed to demolishing the building.

MOTION: Highum moved, second by Whittow to approve Resolution 169-R-006. Motion carried 6-1. Zaborowski voted no.

**Resolution 169-R-007: Resolution To Solicit RFPs For The Former Health And Human Services Building Disposition To Include Sale Of Land**

This resolution was tabled by the Executive Committee on February 16.

**Future Agenda Item**

- Discuss County Golf Course Surveys/Feedback (Zaborowski)

MOTION: Paulson moved, second by Highum to adjourn at 11:34 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski  
Secretary